ane producer. The computed intertional prices of sugar, less consarsion costs, is converted to sugarane using a recovery rate of 8.5% for comparison with domestic support price of sugarcane.

The details of calculation of AMS are provided in the Schedule of Commitments to GATT available in the Parliament Library.

Abolition of cess on Tea

3679. SHRI SOM PAL: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that there is a proposal under Government's consideration to abolish cess on tea;

(b) if so, the reasons therefor;

(c) whether it is a fact that the Tea Board has opposed the proposal and has pleaded for hiking the cess from the present rate of 15 paise to 50 paise per Kg.;

(d) if so, what is Government's reaction thereto;

(e) whether it is a fact that some unscrupulous businessmen have been exporting inferior quality tea, which has a negative impact on the export market; and

(f) if so, what action has been contemplated or is being contemplated against such traders and what is being done to refurnish the Indian tea image abroad and promote exports ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS & PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) No Sir.

(b) Does not arise.

(c) and (d) A proposal has been received from the Tea Board to raise the rate of cess on tea to 45 paise per Kg. from its present general level of 15 paise per Kg. for Tea Development as also to levy 5 paise per Kg. for financing the Indian Institute of Plantation Management. However, no final decision has been taken with regard to desirability or the pattern of raising the cess either for the additional development schemes or for the institute.

(e) and (f) Complaints have been received by the Tea Board against a few Indian exporters for exports of substandard and inferior quality teas to Russia and CIS countries. These complaints have been looked into by the Tea Board and action has been taken under provisions of Tea (Disbtribution and Export) Control Order, 1957 against such exporters. As part of confidence building measures, representative of the Tea Board's office has been meeting buyers for resolving their problems and assuring them of the quality and reliability of Indian tea. In addition to this, promotional campaigns for Indian tea through media (Press and Television), tea sampling demonstration, participation in consumer exhibitions etc. have also been planned by Tea Board's Moscow office.

US RU Ling against import of stainless steel bar from India

3680. SHRI G.Y. KRISHNAN : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the U.S. International Trade Commission has made a preliminary ruling against import of stainless steel bar from India;

(b) whether it is also a fact that in January, 1994 the Commission had

given a final ruling that India was dumping stainless steel flanges in the U.S.

(c) if so, what are the repercussions on India's export of stainless steel bars and trading operations; and

(d) what is Government's reaction thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER, OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) On 9 February, 1994 the United States International Trade Commission (ITC) made affirmative determination in the preliminary anti-dumping investigation concerning imports of stainless steel bar to the effect that there is a reasonable indication that a U.S. industry is materially injured or threatened with material injury by reason of imports of stainless steel bar from Brazil, India, Italy, Japan and Spain that are allegedly sold in the United States at less than fair value.

(b) In February, 1994 the United States ITC concluded its investigation concerning import of stainless steel flanges from India and Taiwan. The ITC determined that an industry in the United States is threatened with material injury by reason of import of stainless steel flanges from India and Taiwan at less than fair value.

(c) Pursuant to the United States ITC preliminary determination, the U.S. Department of Commerce and United States ITC will continue with the anti-dumping investigation for making a final determination. The U.S. Department of Commerce will make preliminary determination in June, 1994 as to whether imports of stainless steel bar in the United States were at less than fair value and, if so, will impose provisionsl anti-dumping duty subject to final determination.

(d) As anti-dumping actions are directed at the export pricing policies of the individual companies, the main role of the government is to see that such actions are carried out in accordance with the multilaterally agreed disciplines on the subject.

Modification of PDS under GATT Conditionalities

3681. SHRI BHUPINDER SINGH MANN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the GATT Agreement signed by Government lays down conditions that the Public Distribution System in signatory countries must satisfy substantial modifications;

(b) if so, what are these conditions;

(c) whether the existing PDS in India needs substantial modifications in the light of these conditions;

(d) what steps Government propose to take to implement such modifications; and

(e) what other modifications Government are contemplating so that the PDS will cover all the needy peopeople ?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) to (e) Operations of Public Distribution System (PDS) in India are not subsidies to the farmer or the producer, but are considered consumer subsidies meant for the Urban rural poor to meet their food requirements. Such consumer subsidies are exmpt from GATT discipline. This is clearly written in the Agreement on Agriculture. In the said Agreement there is an explicit provision that supply of foodstuffs at subsidised prices to urban and rural poor in developing countries will not be affected by GATT disciplines. More over, India has stated in its Schedule